

# **CALIFORNIA STATE ATHLETIC COMMISSION**

## **Initial Statement of Reasons**

### **Subject Matter of Proposed Regulations: Boxer's Pension Plan**

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**Section Affected:** Amend Section 406 in Article 12 of Chapter 1 of Division 2 of Title 4 of the California Code of Regulations.

#### **Specific Purpose of the Amendment:**

Existing regulation states the professional boxer shall not be eligible for pension benefits until he or she reaches the age of 55. Professional boxers have a much shorter career span than traditional individuals involved in a retirement plan. This proposal would reduce the qualifying age of retired professional boxers from 55 to 50 in order to receive distributions from the plan.

#### **Factual Basis:**

While there are no restrictions on age or how long an athlete's career may last, a professional boxer's career is traditionally much shorter than that of the individual not engaged in combative sports.

The proposed language changes the qualifying age of a professional boxer from 55 to 50 in recognition of the professional boxer's shorter career span.

In combative sports, athletes generally do not continue to fight past the age of 50.

It is the uncertainty of the length of an athlete's career or lifespan that has brought this proposed change from 55 to 50 years for the qualifying age of a retired professional boxer.

#### **Underlying Data:**

Email received from Beth Harrington, President of Benefit Resources, Inc., the company that has been retained to act as the benefits administrator for the Professional Boxers' Pension Plan, dated November 17, 2008:

Per the figures received as of 12/31/05:

At age 55:

2 participants are covered (vested) and eligible for retirement. Their benefits total \$32,322.

At age 50:

41 participants are covered and eligible for retirement (at age 50). Their benefits total \$499,605.

The change in age from 55 to 50 would not change the level of participation in the plan but it would increase the number of distributions based on the lowered age.

The Commission has determined, based on communications with its constituents, that a lower retirement age is in the best interests of licensed boxers and is consistent with the purposes of the pension plan.

**Business Impact:**

The proposed regulation change will not have a significant adverse impact on businesses because it only affects the retirement age of a professional boxer. The proposed regulatory change could have a beneficial economic effect.

**Specific Technologies or Equipment:**

The proposed regulation does not mandate the use of specific technologies or equipment.

**Consideration of Alternatives:**

No reasonable alternative to the regulation would be either more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed regulation.